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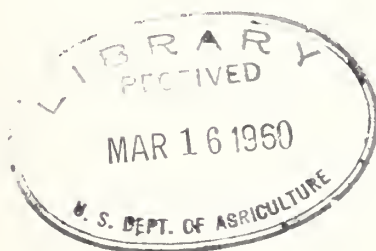


BOOK NUMBER

985.015.1

A286.347
M34

AN ECONOMIC AND STATISTICAL ANALYSIS
OF
FEDERAL-STATE BROILER MARKET NEWS REPORTING IN NORTH GEORGIA
(A Methodological Study)



UNITED STATES DEPARTMENT OF AGRICULTURE
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PREFACE

This is a report on research done 2 years ago primarily for administrative use. It is now published as a contribution to research methodology in this field.

In this study Market News is not treated as an isolated subject. Rather it is analyzed in terms of its role as a vital contributing part of the broiler industry--on which thousands of people depend for their livelihood. A concurrent examination is made, on one hand, of information available for Market News reporting (the statistical analysis), and on the other hand, of the contributions Market News can make to the broiler industry's more important production and marketing decisions (the economic analysis). Both statistical and economic considerations are taken account of in formulating the conclusions.

Of special interest from a methodological point of view, is the fact that vertical integration was firmly established in the north Georgia broiler industry at the time of this study. This directly restricted the number of free market prices available for Market News reporting. Vertical integration now is spreading rapidly to other areas of agriculture. Its impact on Market News reporting in these other areas will need to be appraised in order to continue to maintain the types of market reports that fulfill the basic need to transmit worthwhile information about market conditions back to producers and marketing agencies. If adequate market information is made available, better management should be the outcome.

August 1958

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SUMMARY

North Georgia is the Nation's largest broiler producing area. In 1954, when this study was made, sales averaged 2.8 million birds a week. In 1957, weekly sales averaged 5.1 million birds. This quantity exceeds the amount sold from any other producing area or through any terminal market. The birds are processed and prepared "ready-to-cook" within the State, and sold by phone to buyers in Chicago, New York, Detroit, Milwaukee, Cleveland, Atlanta, Miami, and many other cities, particularly in the North Central, Southern, and Atlantic States.

The Dairy and Poultry Market News office in Atlanta reports live bird prices daily, Monday through Friday, in North Georgia. "Market tone" is given in these reports in relative terms. Comments on supply and demand condition also are given. At the time this study was made the Market News Reporter obtained information by phone and personal visits to the 23 poultry processing plants in the area and 86 of the approximately 225 feed dealers. The reporter called an average of 8 processors and 7 feed dealers each day. Beginning in July 1955 coverage was expanded to include, as nearly as practical, all processors every day.

It was brought out that in reporting live bird prices for purposes of reflecting day-to-day price changes, the reporter was handicapped because only about 5 percent of live birds in north Georgia were sold at a price agreed upon at the time arrangements to deliver were made. Moreover, many of these sales were special deals either for a few birds of a specific weight or birds needed on short notice to complete a processor's order for dressed birds, and did not necessarily reflect general market conditions.

In an effort to put out a meaningful live bird price report with extremely limited data, the market reporter relied heavily on his personal interpretation of demand conditions for dressed birds as obtained from processors and supply information as obtained from processors and feed dealers. So much flexibility in reporting price range and "mostly price" was permitted that the normal disciplines of handling statistical data were lost.

Nearly all sales of live birds were negotiated between feed dealers and processors on the basis of returns over a period of time, and the Market News report was used to set daily paying prices or they were set by the processor without feed dealer confirmation.

Only in selling dressed broilers was there any substantial volume of day-to-day trading in which specific prices were negotiated on individual lots.

In raising broilers, the feed dealers are the principal entrepreneurs. They place the birds out under contract to growers to raise them for a fee. They retain ownership of the birds, negotiate the sale, and accept the larger share of risk due to variations in market prices.

Growers' returns depend on the contract provisions which are quite variable. Even though a grower were able to obtain and compare in detail two or three contracts (which is usually not the case) he would have difficulty arriving at a decision as to which contract was most favorable. The only common denominator of these contracts is the realized returns to growers per pound of birds produced. As an aid in contract negotiation this study recommends a new kind of market information giving average returns realized by growers for raising broilers.

In decisions to hold back or advance the sales of broilers of marketable age, information on available and prospective supplies was indicated to be more useful than reported "market tone." The reporting of "market tone" was found to be correlated with a short time cyclical variation in price and there were differences of opinion in the industry as to whether or not it was intended as a price forecast.

More statistically reliable methods of reporting would require several changes in the present service. The reporting of day-to-day price changes could be done better in terms of dressed bird rather than live bird prices.

Periodic release of data now gathered as statistical series or charts, it was concluded, would help reduce errors in production planning.

ECONOMIC AND STATISTICAL ANALYSIS OF FEDERAL-STATE BROILER MARKET NEWS REPORTING IN NORTH GEORGIA

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INTRODUCTION

North Georgia within the last few years has become the Nation's leading broiler producing area. Sales in 1954, when this study was made, averaged 2.8 million birds a week. In 1957 weekly sales averaged 5.1 million birds. These quantities exceeded the average volume moving from any other producing area or through any terminal market. The birds are processed and prepared "ready-to-cook" within the State, and sold by phone to buyers in Chicago, New York, Detroit, Milwaukee, Cleveland, Atlanta, Miami, and many other cities, particularly in the North Central, Southern, and Atlantic States. They are then shipped ice-packed by truck direct to the retail or wholesale sales outlet. This kind of marketing, with buyers and sellers widely scattered, requires more accurate and complete current market information than the traditional central market system did. (Reference number 1, pp. 80-89.) 1/

The form of the market report issued in north Georgia at the time of the study was essentially that developed first by commercial agencies issuing terminal market price quotations. (Reference number 2, pp. 102-105.) It was followed in Federal Dairy and Poultry Market News reporting in terminal markets when this service was begun in 1917, and then adapted for Federal reporting of broilers which was started in north Georgia in 1946. This is illustrated by the following examples:

Example of a commercial agency report prior to inauguration of USDA Dairy and Poultry Market News Service:

Producers' Price Current, New York, June 25, 1915. "Broilers in good demand and firm with sales of both Western and Southern freight chicken at 28¢, nearby choice 28 to 30¢, nearby White Leghorn, 26 to 27¢."

Example of USDA terminal market report prior to inauguration of the North Georgia reports:

USDA, New York, July 13, 1944. "Market generally steady colored fowl, weak and lower for other items. While prices ranged from 28-31¢, most sales were reported at 30¢ per pound for cross springs. One part load of fancy cross fryer realized 32¢."

1/ Reference numbers in parenthesis refer to literature cited in Appendix B.

Example of North Georgia Broiler Market News Report at time of study:

Atlanta, July 18, 1955. "Market fully steady. Demand good. Trade active. Offerings and supplies about equal to needs although heavier weights well cleared. Prices paid 24 hours ending 10 a.m. today: Broilers or Fryers $2\frac{1}{2}$ - $3\frac{1}{2}$ pounds at farms $25\frac{1}{2}$ - $26\frac{1}{2}\phi$, most 26ϕ , FOB plants 27 - $27\frac{1}{2}\phi$, mostly 27ϕ ."

Example of present North Georgia Broiler Market News Report:

Atlanta, February 25, 1958. "Offerings adequate to slightly short of needs at a few points. Demand fair to good, Buyers' Offering Prices and Estimated Volume up to 11 AM Today: Broilers and Fryers 2-3/4 - 3-1/2 lbs.

At Farms - 20ϕ 501,000 Head FOB Plants - 21ϕ 230,100 Head
Prices Paid and Reported Volume for Yesterday, Feb. 24:

At Farms - 20 - $20\frac{1}{2}\phi$ 607,078 Head FOB Plants - 21ϕ 368,285 Head

81% at 20ϕ 73% at 21ϕ

9% at $20\frac{1}{2}\phi$

27% Intra-co sales "booked" at 21ϕ "

10% Intra-co sales "booked"
at 20ϕ

Several changes in the current Market News report are in line with suggestions made in this study. Market tone is no longer given. (See pp. 9 and 17.) Volume of birds sold at each price is now reported. (See pp. 5 and 17.) Previous and current day prices now are given separately. (See page 17.)

Objective of Study

This study was made to evaluate Market News reporting of broilers in north Georgia and to determine what modifications, if any, should be made in the service. The findings supplement recommendations made by the Market News Committee of the Georgia Poultry Federation in 1952. (See Appendix A.)

Method of Study

Both an economic and a statistical analysis were made of Federal-State Market News reporting of broilers in north Georgia.

The economic aspects were explored through an examination of uses of Market News and problems of reporting arising out of industry practices in (1) price discovery, (2) base-price trading, (3) grower feed dealer contractual arrangements, (4) keeping service charges down, (5) adjusting rate of sale to market requirements, and (6) adjusting production to market requirements.

The statistical aspects included a review of (1) extent of coverage, (2) information available to the reporter from the industry, and (3) methods used by the Market News reporter in summarizing and editing data.

Factual material used as a basis for these analyses was obtained from:

1. A field survey made in August, September, and October 1954 of all 23 commercial processors in north Georgia, and of a representative sample of 27 feed dealers and 60 growers.
2. The Market News Committee of the Georgia Poultry Federation--composed of processors and feed dealers.
3. The North Georgia Market News reporter and supervisors of the Dairy and Poultry Market News Service in Washington.
4. Market News reports.
5. Previous research describing broiler marketing in Georgia. (See Appendix B for bibliography.)

USES OF BROILER MARKET NEWS (Economic Analysis)

In an industry--such as the north Georgia broiler industry--made up of many individuals and companies, market information is needed in the bargaining that goes on among the members, each for his share in returns. Also, information is needed by these same individuals as an aid in coordinating decisions on matters of common interest.

The bargaining among members is an important economic function. It tends to keep charges made by any group from exceeding those required to bring forth the needed service. This may serve to hold down overall costs of marketing broilers in north Georgia, and help maintain and expand their market as compared with other producing areas and competing products.

The common interest of all north Georgia industry members is served when they, as a group, achieve sufficient coordination in decisions to approach or achieve the highest day-to-day prices at which dressed birds will move in marketing channels and avoid excesses or deficits in production and rate of sale.

Information contributing to these above ends often is obtained by word-of-mouth. But when there is enough interest in any specific kind of information, it may pay to have it gathered for general use. This is where Market News and other information reporting services come into the picture. In some respects, these services in a decentralized market, such as in north Georgia, serve as substitutes for the call boards and exchanges of centralized markets.

How well broiler Market News is serving needs of the north Georgia industry is best explored through an examination of present and potential uses of such information in relation to some of the industry's more important economic practices--(1) price discovery, (2) base-price trading, (3) grower-feed dealer contractual arrangements, (4) keeping service charges down, (5) adjusting rate of sale to market requirements, and (6) production decisions.

Price Discovery

1. Negotiations regarding the sale of broilers in north Georgia are carried on as a continuous process all hours of the day and sometimes at night. The Atlanta Market News office, by serving as a point of exchange of market information, aids the industry in the process of "price discovery." (Reference number 3, p. 191.)
2. As the north Georgia industry has increased in size, industry members have found it necessary to depend more on their own ideas as to changing prices, and, conversely, to accept less readily, as prima facie evidence of what north Georgia prices should be, price information obtained through buyer contacts and reported from terminal markets and other producing areas.
3. Each purchase or sale is part of the total market picture, and wise decisions regarding these transactions can be made only when they are evaluated as such. This requires those who bargain to be informed as to prices previously accepted by others and the prevailing supply-demand conditions. Industry members generally agree that some common means for exchanging information is a necessary prerequisite to their buying and selling under decentralized conditions.
4. Market News reporting is especially well suited to help the north Georgia industry with this problem. It is able to provide a more complete and prompt exchange of information within the industry than otherwise would be possible. Because it does not reveal individual business operations, industry members willingly contribute information of value in summarizing the composite situation, that being in competition with each other, they would not exchange directly. The total man-hours of time and cost to gather information in one office and then distribute it is less than would be required if each individual on his own were to call a representative cross section of buyers and sellers.
5. As an aid in day-to-day price discovery, information on dressed bird prices is more directly applicable than is information on live bird prices. As will be explained in the following section on "Base-Price Trading," only in selling dressed broilers was there any substantial volume of day-to-day trading in which specific prices were negotiated on individual lots. In the sale of live birds, negotiations in regard to returns are almost all on a long-time basis.
6. Supply information is an important consideration in pricing. Although reporting of conditions of supply in narrative terms as is now done by Market News is worthwhile, it is not as useful as the reporting of actual numbers would be. Data on weekly purchases of birds by processing plants are given, but this reflects only what supplies were, and is of little value in determining what current prices should be, except as historical background. Weekly chick placement figures also are available but when lagged 10 weeks are not sufficient to evaluate current supplies. Sickness and weather conditions affect growing time. Time of sale for individual lots of birds is sometimes

held back or advanced. When a large percent of all birds are held back on any one week this can substantially increase available supplies to be marketed on following weeks, or reduce them when sales dates are advanced. A comparison of chick placement data with weekly purchases during 1953 and 1954 showed only one-fifth of short-time variations in purchases to be accounted for by variations in the chick placement figures 10 weeks earlier.

7. Demand information is collected and reported in north Georgia. However, the reporter did not pretend to report the demand for live birds. His discussions with processors were in terms of the general demand as reflected by orders for dressed birds. Therefore, no change in reporting demand would be necessitated by a shift to reporting of prices for dressed birds. However, the reporter releases information on demand through the use of relative terms only. Quantitative measurement such as daily number of birds sold, distributed by price, would add considerable strength to the reporter's evaluation of demand.

Base-Price Trading

1. In north Georgia it is a widespread practice to use the daily Market News report as a basis for trading, and this activity should be clearly distinguished from participation of trade members in "price-discovery." Those who buy or sell at whatever price is reported by Market News, without at least reserving the right to accept or reject such prices when unsatisfactory, are not contributing the information on pressures of supply and demand as it affects them individually to the industry's over-all problem of day-to-day price discovery. Price decisions are thus left to other members of the industry or to the Market News reporter's interpretation--through publication of his price report based on such information as is available to him.
2. The practice of base-price trading reduces time and cost of price negotiation for members of the trade, but if overdone can be carried to a point where there are not sufficient independent decisions as to what price ought to be to provide an adequate basis for a daily Market News price report. This was the situation in selling live broilers in north Georgia at the time of study.
3. Only about 5 percent of live birds in North Georgia were sold at a price agreed upon at the time arrangements to deliver were made. Moreover, many of these sales were special deals either for a few birds of a specific weight or birds needed on short notice to complete a processor's order for dressed birds, and do not reflect general market conditions. All other live broilers were "booked" in advance of delivery--that is, they were committed in advance to be delivered to a certain processor without a firm cents per pound price agreed upon. The birds usually were "booked" for delivery at the time the baby chicks were placed on farms (about 10 weeks before delivery) with the specific day of delivery set when the birds were nearly ready for market, usually one week in advance. From 50 to 60 percent of all live birds were "booked" with the understanding that

the settling price would be the "mostly" price as reported by Market News on day of delivery or the midpoint of the price range if a "mostly" price was not given. From 20 to 30 percent were "booked," with the seller leaving decisions as the day-to-day settling price up to the processor. From 5 to 10 percent of live birds were grown by the processing plant (using a contractor). A live price was not set on this segment of the supply.

4. Sales negotiation between feed dealers and processors generally were all of a long-time nature, with feed dealers seeking new processor outlets only if returns over a continuing period were judged to be unsatisfactory. Most feed dealer-processor sales agreements run for years, some feed dealers having sold to only one processor. The principal motivation for feed dealers to hold these long-term arrangements, rather than negotiate for price on each individual lot, is their need for a dependable sales outlet for the birds which come off farms week after week.
5. The nature of feed dealer contractual agreements with growers is a contributing factor to the willingness of feed dealers to use Market News prices as a settling price without further negotiation. As will be explained more fully in the following section, "Grower-Feed Dealer Contractual Arrangements," when birds are grown under contract the sale price sometimes affects a grower's returns, and there is a need to satisfy the grower that the sale was fair. If the Market News price is used as a settling price, then it is always in line with prices that growers hear over the radio and read in the newspapers. This use provides an argument for continuing daily reporting of live bird prices, but unless growers should begin to participate more in negotiation regarding live prices, their need for daily live broiler price information is only of secondary importance.
6. About 50 percent of north Georgia dressed birds were sold to out-of-State buyers under agreements which involve the use of the North Georgia Market News prices as a trading base. The others were sold on specific prices arrived at without any particular relation to a market report or commercial quotation. For those sales of dressed birds that use the Market News report as a base, trade practices are quite different from that followed in selling live birds. In selling dressed birds under base-price agreements, processors confirmed the sale price by phone before delivery was made, and the base price became final only if accepted at that time. There was, therefore, a meeting of minds between buyer and seller as to final price on each truck-load sold; and base-price trading was what the name implied--the use of Market News as a starting point for saving time and cost of negotiations. It was not a complete transfer of price making responsibility to Market News through its use as a settling price--as was the prevailing practice with live birds. In the selling of dressed birds a formula mark-up over the Market News report of live prices was usually used. As an example--an allowance is made for 75 percent meat yield, 5 cents a pound for operating expenses and profit, plus transportation costs. Others use a flat cents per pound or percent mark-up, adjusted according to changing

price levels. As necessary, prices for individual sales are adjusted to meet competition in terms of offers which buyers have received from other processors--either in north Georgia or elsewhere.

7. The greatest single factor contributing to negotiation of specific prices on individual lots of dressed birds, according to processors, was the unwillingness of chain store and other buyers to accept broilers at whatever price might be reported by Market News in north Georgia without reserving the right to accept, reject or renegotiate these prices before delivery. The retail stores served by these buyers quite often are in direct competition with other stores handling broilers from other producing areas. Conversely, the north Georgia processors were not willing to accept any particular terminal market quotation as the selling price because they sell in many markets. The volume of sales in north Georgia is in itself of greater significance to the national broiler market picture than are sales in any one terminal market.

Grower-Feed Dealer Contractual Arrangements

1. More than 95 percent of north Georgia broilers were raised by growers under a contract with feed dealers.
2. The feed dealer is the principal entrepreneur. He owns the birds, supervises their care, negotiates the sale, and accepts the larger share of risk due to variations in market prices.
3. Grower bargaining for a share in returns from the broilers is centered around the contract provisions.
4. The most usual type of contract was the "feed-conversion" contract in which growers raise broilers for a stated amount per pound adjusted for average weight of the finished bird and the feed conversion ratio achieved. Within a specified price range the feed dealer takes the full market risk. If prices fall below or rise above this range, the grower's returns were adjusted so he shared the risk--it being understood that the grower was liable only to the extent of losing his prospective income from raising the broilers and costs incurred incidental to housing them. (For illustration of feed conversion contract see Appendix C.)
5. When broiler prices were low another type of contract frequently was used. It provided for growers to share a fixed percent of net returns for live birds over feed, chick, and other expenses. Such agreements often were verbal.
6. There were infinite variations in both types of contracts, and in the conditions under which they are issued. Variables include charges for feed, chicks and medicine, quality of chicks, feed and supervision provided, who gets the feed sacks, bonus and minimum payment provisions, whether birds are weighed at farms or plant, does the grower help with loading, allowance

for chick mortality, etc. Moreover, contract provisions favorable at one level of broiler prices are not necessarily most favorable at another. Even though a grower compared in detail two or three contracts (which is usually not the case) he would have difficulty arriving at an objective decision, all things considered, as to which contract was most favorable.

7. A new and additional kind of information is needed in north Georgia to help growers at the level at which their bargaining takes place--that is at the level of contract negotiation. A direct approach would be to report weekly average returns received by growers per pound of birds produced, classified according to feed conversion achieved. Lots with nontypical mortality records could be excluded or reported separately. With such data each grower could compare his returns with average returns of other growers having similar feed conversion records. Also, growers as a group could better evaluate changes in their returns over time as compared with broiler prices, feed and chick costs.

Keeping Service Charges Down

1. From 1950 to 1954 commercial broiler production in Georgia increased from 62.9 to 154.5 million birds or 2.5 times. This rate of increase was exceeded only by the neighboring State of Alabama where production increased from 12.1 to 47.7 million birds or 3.6 times. In the rest of the United States production increased from 555 to 858 million birds or 1.5 times. By 1957 Georgia commercial broiler production increased to 222.8 million birds, and United States production to 1,195 million.
2. Georgia's impressive record might lead one to conclude that vigilance in protecting her competitive position through keeping charges down and quality of the service high in the many component functions of her broiler industry is not a pressing need. It would seem prudent, however, not to overlook possible contributions of Market News in keeping service charges down when planning changes in the service. All economic industries are subject to the danger of charges for any of its integral services working upward to levels higher than the marginal costs needed to provide them. When such charges are higher than necessary, returns to other segments of the industry thereby are reduced so fullest use of the industry's resources are not made.
3. Continued reporting of prices for live broilers along with reporting prices for dressed birds and average returns received by growers would keep attention on charges made for the three basic services of the industry:
 - (a) Returns for raising birds would be given by data on returns to growers.
 - (b) Returns to feed dealers would be the difference between returns to growers and live prices.
 - (c) Returns to processors would be the difference between live and dressed prices adjusted for average meat yield.

Adjusting Rate of Sale to Market Requirements

1. Individual feed dealers usually have a two or three week period within which birds of marketable weights must be delivered to processing plants. Broilers are marketed between 2.5 to 3.5 pounds live weight. These weights are reached at ages of 8 to 11 weeks. Within these limits, "bookings" of live birds can be advanced or retarded.
2. An examination of data for 1953 and 1954 indicated that "bookings" usually were advanced during falling prices to avoid reduced returns and held back during rising prices in an attempt to obtain higher returns. With the physical time for holding or advancing sales of birds limited to three weeks, these responses fell into and gave continuing impetus to a six week price cycle.
3. The reporting of "market tone" by Market News -- to the extent it was used by the industry as an indicator of impending price change -- would have exaggerated rather than reduced these price cycles. A comparison of "market tone" and price changes for the years 1953 and 1954 showed that a favorable "market tone" was reported more often when prices were moving up and an unfavorable "market tone" more often when prices were moving down.
4. When asked what "market tone" meant to them, 30 percent of processors, 25 percent of feed dealers, and 40 percent of growers said they took it to indicate prospective price changes. The others said they thought it related primarily to current conditions.

Adjusting Production to Market Requirements

1. Too much dependence on current prices as an indicator of how many broilers to produce, and not enough consideration of future market requirements could lead to a continuing pattern of over- and under-producing the number of birds which can be marketed profitably. When supplies are relatively short, prices are high, so an increased number of birds are grown. Then when these birds come to market, prices drop, and as a result fewer birds are grown. These fewer birds, in turn, bring higher prices, and so on in a never-ending pattern of up and down production and prices. This condition seemed to exist in the data analyzed for 1954 and 1955, when this report was originally prepared. A comparison of concurrent north Georgia broiler prices and chick placements is shown in chart 1 on the following page. In chart 2 prices received for the same broilers 10 weeks later are shown. ^{2/} Note that placements change with prices (chart 1) and 10 weeks later prices move inversely to the quantities coming to market (chart 2).

^{2/} The same positive relationship between broiler prices and number of chicks placed was found in the Delmarva Area, December 1948 - March 1950, "The Delmarva Broiler Industry," James M. Gwin, University of Maryland, Bulletin A-57, October 1950, p. 11.

Chart 1.- Relation of baby chicks placed on farms to concurrent prices being paid for finished broilers, January 1954 to July 1955

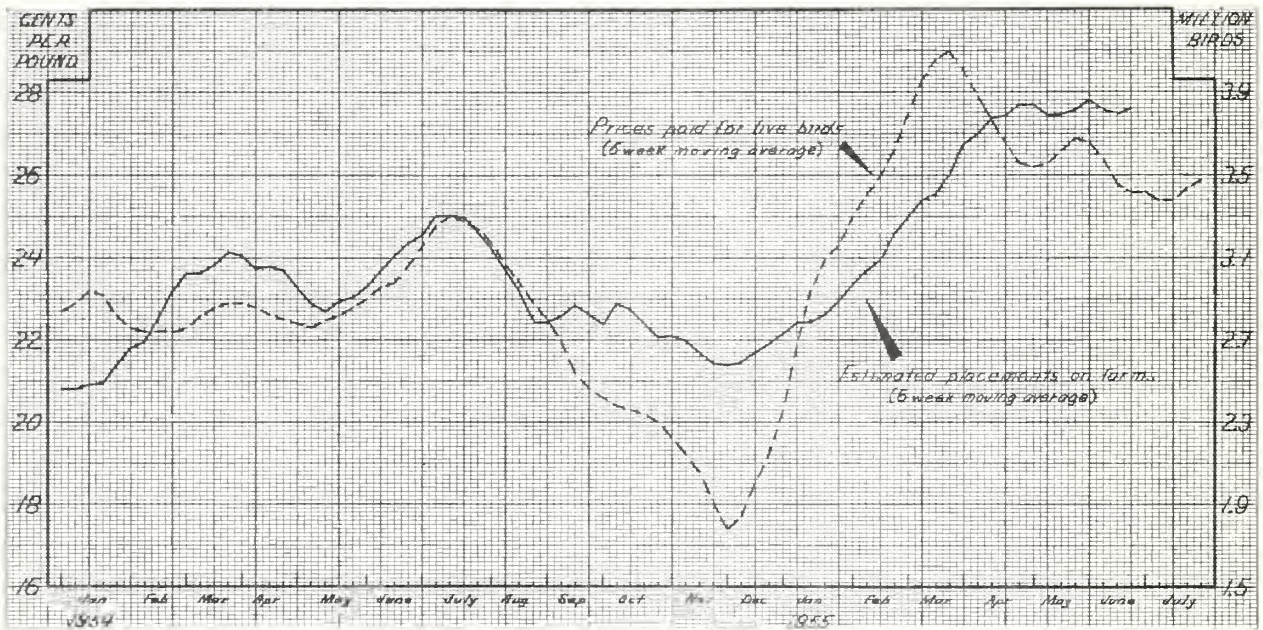
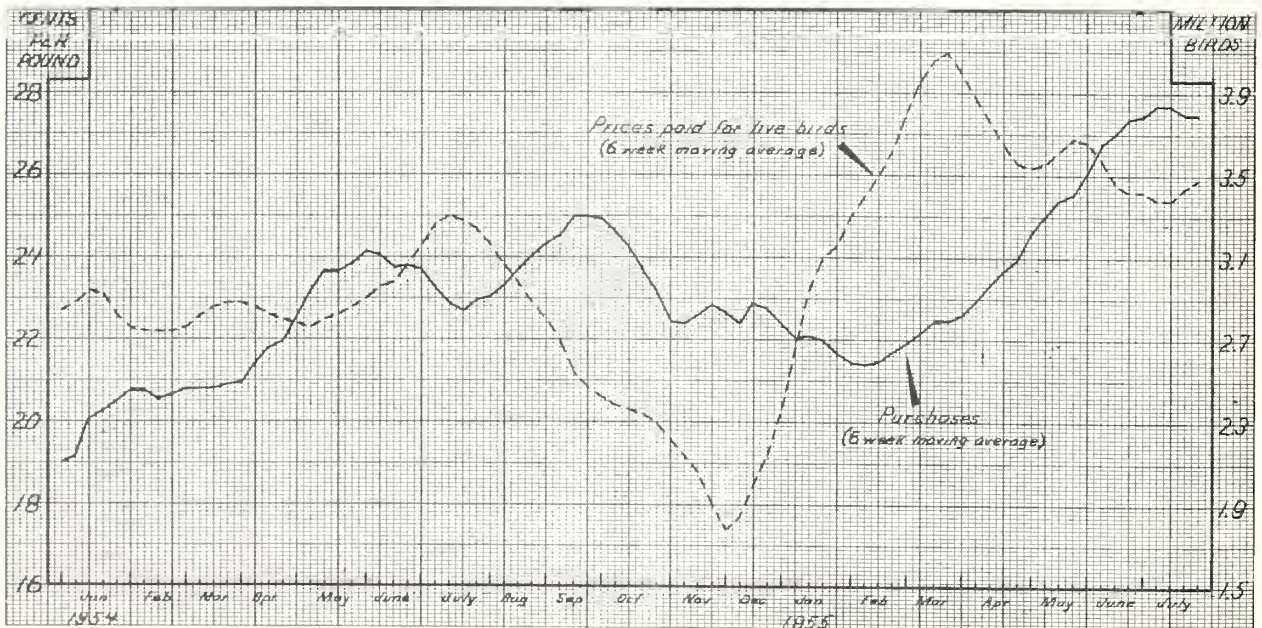


Chart 2.- Prices received for the same birds shown above when marketed-- that is 10 weeks later--January 1954 to July 1955



2. Of further consideration is the relative elasticity of the demand and supply curves. If the demand curve is more elastic than the supply curve, a price cycle resulting from production-price responses will gradually diminish of its own accord. If, conversely, the supply curve is more elastic than the demand curve, the price cycle will tend to perpetuate itself and increase in magnitude. The only remedy in the latter case is to base production decisions on some better indicator of prospective prices than is provided by current prices alone.
3. Indications are that the supply curve for broilers in north Georgia is relatively more elastic than the demand curve. Within its normal range of operations, the north Georgia industry has large reserves of available farm labor, and unused capacity in their processing plants, feed mills and feed handling facilities. Apparently it can change production with very little change in per unit costs.
4. Market News could help reduce the tendency for the north Georgia industry to overemphasize current prices in production decisions by publishing its weekly weighted average price and purchase data as statistical series or in chart form several times a year to show seasonal and long-time price-supply relationships. These series now are published annually by the Dairy and Poultry Market News office in Washington late the following year. Current publishing of these data as statistical series would help the industry in Georgia better evaluate the significance of trends in current prices and supplies and hence better interpret current prices in terms of what prices might be when the birds are marketed.
5. Admittedly, a full consideration of uses of economic information in broiler production decisions needs to take into account other data such as that published by the Crop Reporting Board, but they lie outside the scope of this study.
6. The characteristics of the broiler industry are such that prospects of a wider study leading to important results seem promising. For example, the possibility of quickly released estimates of production trends being used constructively to modify production decisions seems greater than in most agricultural industries. Production decisions are made each week the year around. Also, production is subject to modification at several stages -- hatchery egg laying flocks, hatchery egg production (fresh use vs. hatchery sale), hatching and chick placement on farms. The earlier adjustments are made in the production process the less cost is incurred, and in general the more practical it is to make adjustments.

ADEQUACY OF DATA AND METHOD OF MARKET NEWS REPORTING
(Statistical analysis)

At the time of the study information used in the reports was gathered by a Federal reporter and a State employed assistant reporter by phone, personal visits and a weekly mail questionnaire. Most telephone calls were made in the mornings before 10 a.m. which was the deadline for the daily reports. Personal visits were made primarily for the purpose of maintaining friendly working relations with the individual trade members and keeping informed on their activities and practices which might have a bearing on how the information they regularly supply should be interpreted. A weekly mail questionnaire was used to obtain number of birds purchased by processing plants.

Information Released at Time of Study

1. The principal release was the daily report issued Monday through Friday.
2. It gave prices for live broilers which are weighed and delivery taken "at farm," and also prices for live broilers "FOB plant." These are birds delivered to and weighed at the processing plant.
3. Prices were given as a range, with a "mostly" price also given about 40 percent of the time for birds bought at farms and 60 percent of the time for birds bought delivered to plants.
4. The general condition of the market and in particular trade sentiment in regard to the balance between supply and demand was given as the "market tone." This usually is expressed in terminology suggested by the Dairy and Poultry Market News Handbook--"very firm, firm, steady to firm, steady, about steady, barely steady, unsettled and weak."
5. Narrative comments were given on either one or more of the following: "Offerings, supplies, volume movement, or trade activity."
6. Demand was usually expressed in relative terms--"light, fair, good, and heavy."
7. The report also carried comparable information from Market News offices in other commercial producing areas and terminal markets, as obtained via the Market News leased wire system.
8. The daily reports were put on the Market News lease wire by 11 o'clock each morning. Reports were supplied to the Associated Press, the United Press, and International News Service who passed them on to the radio stations and newspapers that subscribe to these services.

9. The market report was broadcast by a Decatur, Georgia radio station at 11 a.m. and a Gainesville, Georgia station at 11:15 a.m. At least 16 other radio stations in north Georgia broadcast the current day's broiler report between 11:45 a.m. and 1 p.m. The evening and morning newspapers in Atlanta, and daily papers in other cities carried the report.
10. The mimeographed report was put in the mail during the afternoon.

Extent of Coverage at Time of Study

1. Of the 20 north Georgia processors located outside the city of Atlanta, the reporter called an average of 5 per working day, January through September 1954. The highest number called on any one day was 16. Some processors were called every second day on the average, others were called only once every 6 days. Three processors are located in Atlanta, and they were contacted by local calls on which no records were available.
2. In July 1955 daily phone coverage was extended to include all processors each day.
3. Other considerations being equal, there is much less advantage in using sampling methods to obtain data from 23 processors than from the 200 to 250 feed dealers because of the difference in numbers involved. (Reference number 4, pp. 113-114.)
4. Because market conditions are constantly changing, any processor on any particular day may be in the marginal bargaining position and make a price change. Because there is no way of knowing in advance who this person might be, any predetermined sample plan could easily fail to reflect such changes.
5. Feed dealers were called for purposes of verifying prices given by the processors and to obtain information on the supply situation. Of approximately 200 to 250 feed dealers in north Georgia, the reporter called only 86 during the period January through September 1954, an average of 7 per day. One dealer was called twice a week on the average and one only once every 4 weeks.
6. In selecting feed dealers to call for purposes of verifying processor statements on prices the reporter asks the processor in question to name one or more feed dealers to whom such prices were paid. If the processor refused to give such names, the price information was not used.

Information Available to the Reporter from the Industry

1. Price and volume of sales data used by the Market News reporter as a basis for the north Georgia broiler Market News reports were withheld by the Market News Service from use in this study. However, a field

survey of processors, feed dealers, and growers showed that only very few independently negotiated sales price data on live birds were available. Nearly all negotiations regarding day-to-day sale price of broilers in north Georgia were carried on in terms of dressed birds.

2. Only about 5 percent of live birds in the north Georgia area were sold on the basis of specific prices agreed upon by buyer and seller before the birds were committed for delivery. Also, such sales usually were special deals not necessarily reflecting general market conditions. These transactions were scattered throughout the industry, with some processor making only one or two purchases of this type a year.
3. The only other live bird prices in the north Georgia area not arrived at on the basis of the previous day's Market News report were limited to the 20 to 30 percent of total live bird sales, on which processors independently set the paying price after feed dealers committed themselves to deliver the birds. These prices were of limited usefulness in reflecting changes in day-to-day values, as feed dealer-processor negotiations in establishing them were on a long-time rather than a day-to-day basis. Furthermore, these sales were primarily limited to 3 plants, which if over emphasized by the Market News reporter would bias the reporting in favor of these plants and decrease its usefulness to others. For additional discussion on this point see previous section on "Base-Price Trading."
4. No official Federal or State grades of live poultry were used in the north Georgia area. Processors said they sometimes do and sometimes do not give the reporter live bird prices for discounted lots--depending in part on whether such prices are specifically asked for. Most processors discounted prices paid for live birds according to the percent "bare backs" and/or unfinished birds in individual lots. These discounts may apply on anywhere from 1 to 100 percent of the birds. The decision as to which lots should be excluded from the Market News report because of quality considerations was an arbitrary one sometimes made by the processor and sometimes by the reporter.
5. Data gathered from 10 processing plants during the field survey on all their purchases of live birds during the period January through September 1954 showed the average daily range in prices to be 2.23¢ per pound for prices paid at farms and 2.22¢ per pound for birds delivered to plants. During this same period the average daily price range reported by Market News was 1.09¢ at farms and .79¢ delivered to plants. The narrower price ranges reported by Market News could be accounted for by the smaller average number of plants the reporter called during this period and the fact, as was explained in the previous paragraph, that not all qualities of birds were included in Market News prices.

Methods Used by Market News Reporter in Summarizing and Editing Data

1. Price data were summarized and released by Market News as price ranges and "mostly" prices with no qualifications as to number of transactions on which each report was based.
2. The "mostly" (modal) statistic is the best available measure of the most usual or typical price. Its significance, however, depends on having a sufficiently large number of observations to establish the shape of the distribution curve. (Reference number 4, pp. 23-26.) This requirement is not met in the case of day-to-day sales prices on live birds in north Georgia.
3. The price range has three fundamental weaknesses:
 - (a) Being dependent on only two observations--the high and the low--the range is more variable than any other commonly used measure. (Reference number 4, p. 29.)
 - (b) The magnitude of a total price range cannot be estimated from a sample. With less than complete coverage of all sales there is always the probability of the span of the true price range being underestimated.
 - (c) With a distribution of the data skewed--which is likely on any given day--the midpoint of a range is not as good an indication of any centralizing tendency in the data as are other available measures--mode (mostly price), median or mean. (Reference number 4, pp. 19-26.)
4. To keep the reported price range from fluctuating widely, which it would do if based only on the limited data available on negotiated live bird prices in north Georgia, the reporter made use of "nominal" prices. In the Dairy and Poultry Market News Handbook, a "nominal" price is defined as follows:

"These are opinions of values when there is no actual trading of a particular commodity, grade, or class. Ordinarily, published prices are based upon actual transactions, but because of the practical uses made of current price information by shippers and receivers, nominal prices may be published for brief periods, when there have been no changes in current values from those previously prevailing."
5. In establishing the bottom of the price range, the reporter had considerable latitude as to which lots to include or exclude because quality in the area was not rigidly defined.
6. To determine the top of the range the reporter, as needed, made use of knowledge that certain processors had continuing agreements to pay a premium over the "mostly" price or midpoint of the range to some of their

feed dealers. He thus could add this premium to the Market News midpoint or "mostly" price for the previous day and be reasonably assured that such a settling price was used.

7. To establish sufficient volume of sales for a "mostly" price, "advance confirmation" of prices sometimes was obtained in the following manner: The reporter calls a processor and states, "It appears as if today's reported price will be If this price is reported, will you settle on this basis?" For processors buying on the basis of the Market Report the answer would have to be, "Yes." The reporter then asks one or two feed dealers supplying that processor, "How many birds are you delivering today? If cents per pound is paid, will you accept it? Here again the answer almost has to be "Yes," as the birds have already been committed for delivery.
8. On other occasions to maintain a reasonable relation between prices at farms and prices delivered to plants, the bottom or top of these ranges was sometimes estimated by use of normal differences between the two price series.
9. As the period reported by Market News includes from 10 a.m. of the previous day to 10 a.m. of the day of the report, the reporter has available to him sales made on the basis of the previous day's report, to use as he sees fit. Because a majority of processors buy on the basis of the Market News report, a strict following of this information would put the reporter in a position of merely reporting his own previous day's release, and there could be no change in the day-to-day mostly price. The fact that day-to-day changes in the mostly price do occur, indicates the reporter sometimes attaches less than full weight to these sales. There are some days when the reported price range does not even include the mid-point or mostly price of the previous day.
10. The methods outlined above in paragraphs 4 through 9, when considered together, allow considerably more leeway in handling data than is consistent with sound statistical procedure.

CONCLUSIONS

The style of Market News reporting used in North Georgia was found to place heavy reliance on the local reporter's insight of market conditions in the development of information on prices, supplies, market tone, and demand. Such reporting must be viewed more as an art than a science, and as an art the individual reporter needed to have and was permitted considerable latitude in interpreting and treating information received. As far as could be determined the Georgia reporter exercised considerable skill in this particular type of reporting.

A more statistically objective approach would require a number of changes. These are outlined below:

Statistically Objective Price Reporting

1. Editing of data by the north Georgia Market News reporter should be limited to excluding sales information which the reporter can determine to be false and sales made for the purpose of rigging the market report. However, should members of the trade prefer that prices for the lowest quality birds be excluded in the market report, a lower price limit could be set by definition. Such a limit might be, for example, at 1¢ or 2¢ below the price at which the largest quantity of birds were sold. To avoid misunderstandings, a statement should be published periodically explaining that such a lower limit was used.
2. In reporting day-to-day prices the number of birds sold at each price should be given. Traders could then judge for themselves from the data the significance of prices and trading activity rather than rely on the reporter's interpretation. Some precedents for reporting quantities sold at each price are found in poultry Market News reporting initiated by the Indiana Extension Service in 1951, and now carried on as a joint Federal-State Service. (See Appendix D for example.)
3. Price reporting would be more specific and informative if a distinction were made in sales prices established on each calendar day, rather than combined for the 10 a.m. to 10 a.m. reporting period. Industry trading is done and records kept on a calendar day basis. Calendar day classification would help distinguish sales made on the basis of the previous day's Market News report from those arrived at independently each morning before 10 o'clock.

Problems of Reporting Market Tone, Supply, and Demand

1. As there was a difference of opinion among members of the trade and also among Market News personnel as to whether or not "market tone" was intended as a price forecast, some clarification of policy is needed on this point. If "market tone" is intended as an indicator of change in supply-demand balance in the period just past, it would seem that this is measured better and more objectively by the actual price change itself.
2. Of more obvious value than reporting of "market tone" as an aid to the industry in modifying excesses or deficits in rate of sale would be information on current and prospective supplies of marketable birds on farms. Records from feed dealers could show birds in each group, 1 through 11 weeks, on farms. This information would indicate in advance the extent of prospective supplies for coming weeks and help individual feed dealers adjust their rate of sales accordingly.
3. There is little that can be done within the north Georgia area to improve reporting of demand conditions over the narrative comments now given by the reporter.

Reporting Dressed Birds

1. The reporter would be in a stronger position to objectively report daily price changes if prices were reported for dressed birds. In dressed bird selling, quite in contrast to that of live birds, there is a joint buyer and seller decision as to final price on each truckload sold.
2. Should a truly statistically objective method of reporting actual negotiated prices and quantities be adopted, it may be necessary to eventually extend price reporting to the dressed bird level. Reporting of actual amounts of live birds sold at negotiated prices by calendar days, would reveal the small volume of firm sale prices on which live bird price reports are now based. With data not adjusted by the reporter, small lots could set the mostly price, and it is questionable whether this reporting would be acceptable for industry pricing needs. Nevertheless, this is a matter for industry members to consider and could be resolved by them after more statistically adequate reporting was undertaken either by increased industry participation in pricing individual lots of live birds so as to make such day-to-day pricing more representative of all interests (an unlikely possibility) or by shifting reporting to the dressed bird level.

Returns to Growers

Of greater usefulness to growers than broiler price reporting, would be a weekly report on returns to growers per pound of birds produced under contract, classified according to feed conversion rates achieved. This would help growers at the level at which their bargaining takes place--that is at the level of contract negotiation. The contracts themselves contain infinite variations and are difficult to appraise. The publishing of data on average returns would give each grower a useful base against which to compare his realized returns when bargaining for terms in contract renewal. Also, growers as a group could better evaluate changes in their returns over time as compared with broiler prices, feed and chick costs. Consideration should be given to developing such a report.

Aids to Production Decisions

There is a tendency in north Georgia to overemphasize current prices in deciding how many birds to produce. This leads at times to serious economic consequences. To offset this tendency it would be helpful if Market News would publish its weekly weighted average price and quantity of birds purchased data as statistical series or chart form to show seasonal and long-time price-supply relationships. It would also be useful to periodically report as statistical series any other related data Market News might gather on available supplies, dressed bird prices and returns to growers under contract. Some precedence for this is found in the Alabama Weekly Broiler and Broiler Feed Report. (For illustration see Appendix E.)

Keeping Service Charges Down

The simultaneous reporting of returns to growers, live bird prices and dressed bird prices would keep attention on charges made by the three basic parts of the industry and help keep such charges from becoming excessive. Returns for raising birds would be given by data on returns to growers. Returns to feed dealers would be the difference between returns to growers and live prices. Returns to processors would be the difference between live and dressed prices adjusted for average meat yield. Such reporting would help the industry maintain a reasonable competitive balance among its parts and in turn help protect and strengthen the industry's overall competitive position in relation to other producing areas.

APPENDIX A

GEORGIA POULTRY FEDERATION RECOMMENDATIONS
MARKET REPORTING PLAN
1952

The Georgia Poultry Federation, after conferences with poultrymen and PMA officials, here offers for your consideration 12 recommendations which, it is believed, will make the market reports more satisfactory in Georgia. Comments on the plan, either good or bad, are requested. Please send your opinion to the Georgia Poultry Federation, Box 493, Gainesville, Georgia.

1. The daily PMA market report should include hens, turkeys, and turkey broilers in addition to the present report on broilers.
2. The market report should include:
 - a. A detailed record of the previous day's transactions with whatever amplification is required in the interest of clarity.
 - b. A report of any trends or actual sales developed in the morning trading (the day of the report).

It was generally agreed that the use of the controversial word "mostly" is largely academic and that the important function of the reporter is to state clearly and accurately what had happened in the previous day's trading and the same day's trading up to the time of the report.

3. The Atlanta office would require the assistance of at least two full-time or four part-time field representatives to do the job properly.
4. Sampling by the reporter or reporters should consist of approximately equal numbers of head from both buyers and sellers.
5. Data gathered should be analyzed in full cognizance of the head count at various prices.
6. Market extremes should be explained. Any serious deviations from the norm, whether higher or lower, should be amplified.
7. Reports should be made on farm prices only.
8. The sampling areas should include:
 - a. Primary areas: Gainesville, Canton, Cumming, Athens.
 - b. Secondary areas: Dalton, Alpharetta, Commerce, Winder, Carrollton, Woodstock, Thomson, Cleveland, Royston, Dahlonga, Lavonia, Griffin, Molena, Zebulon, Lawrenceville.
9. Laws prohibiting the giving of false market information should be explored.
10. In quoting the market, where the overall spread is 1¢ or less, no further information would be required.

11. Standard terminology used in the quotation should be defined and explained.
12. To effect the above, in toto, it is well understood that additional funds must be made available to the local reporting office.

APPENDIX B

Reference Texts:

1. "Marketing Farm Products," Geoffery S. Shepherd, Iowa State College Press, Ames, Iowa, third edition, 1954.
2. "Agricultural Market Prices," Warren C. Waite, and Harry C. Trelogan, John Wiley and Sons, New York, second edition, 1951.
3. "Agricultural Marketing," F. L. Thomsen, McGraw-Hill Book Company, New York, 1951.
4. "An Outline of Statistical Methods," Herbert Arkin, and Raymond R. Colton, Barnes and Noble, Inc., College Outline Series, fourth edition, revised, 1951.

Recent Research Reports Used as Reference:

Georgia Experiment Station--

Bulletin 281, "Marketing Georgia Broilers," July 1953.

Bulletin 283, "The Function of Feed-Dealer Suppliers in Marketing Georgia Broilers," August 1953.

Southern Cooperative Series--

Bulletin 38, "Financing Production and Marketing of Broilers in the South, Part I: Dealer Phase," June 1954.

Bulletin 44, "Financing Broiler Production by Banks and Production Credit Associations in the South," June 1955.

United States Department of Agriculture--

Marketing Research Report 83, "Marketing Georgia Broilers through Commercial Processing Plants," March 1955.

APPENDIX C

FEEDING AGREEMENT AND CONDITIONAL SALES CONTRACT — NO. _____

A
(Revised
3-29-54)

STATE OF _____, COUNTY OF _____

THIS AGREEMENT entered into this _____ day of _____, 19____, by and between the

(hereafter called "Association") and _____ a resident of _____ County,

(hereafter called "Producer").

WITNESSETH:

1. Association does hereby sell, extending credit therefor, and Producer does hereby purchase _____ (Number) _____ (Brand)

baby chicks (hereafter called "Chicks"), to be raised by Producer on Producer's farm at _____ (Address) _____ (County)

(State)

2. Association agrees to sell to Producer, extending credit therefor, at regular retail contract prices, and Producer agrees to buy from Association at these prices all feed and sanitation supplies necessary to raise Chicks to marketable broiler size.

3. Producer shall furnish all land, buildings, equipment, fuel, litter, labor, and facilities for raising Chicks and shall keep Chicks separate and apart from all other poultry.

4. The purchase price of Chicks sold hereunder is \$ _____. Title to Chicks and to unconsumed feed and sanitation supplies sold hereunder shall remain in Association until the purchase price for the same, together with any other indebtedness of Producer to Association arising hereunder, shall be paid in full.

5. Producer agrees to use feed and sanitation supplies sold hereunder solely to raise Chicks and for no other purpose and to use only those medicinal and sanitation supplies recommended by Association. Producer further agrees to devote his best care and attention to properly raise Chicks and to follow approved practices in so doing.

6. If Producer (a) abandons Chicks or (b) fails to properly raise Chicks after reasonable notice from Association of that fact (Association shall have the sole right to determine if Chicks are being properly raised) or (c) otherwise violates the terms of this agreement, Association shall have the right to enter upon the premises of Producer without legal process and either (a) remove Chicks and feed and sanitation supplies sold hereunder or (b) raise Chicks to marketable broiler size on Producer's premises all without being guilty of trespass, forcible entry or detainer or other tort.

7. Association is given full power to determine when Chicks are sufficiently grown to be marketable and Producer authorizes Association as his agent to determine to whom they shall be sold and to contract for their sale.

8. Upon delivery of marketable broilers to the processing plant buying them, Producer authorizes the plant to remit the total purchase price to Association. Those proceeds shall be applied so the Producer will receive payment based on (a) or (b) below, whichever calculation produces the greatest amount.

(a) Association will remit to producer 75% of the net profit. Net profit to be determined by deducting from the gross proceeds of the broilers the cost of the baby chicks; the cost of all feed, medicine and sanitation supplies used in raising broilers to marketable age and size; and the cost of catching and transporting the broilers to the processing plant.

OR

(b) Association will remit to producer an amount per pound of marketable broilers based on the following feed conversion table:

	If Weighed at Brooder House	If Weighed at Processing Plant
Lower than 2.75 lbs. of feed to 1 lb. of meat.....	3.00¢ per lb.	3.25¢ per lb.
From 2.75 to 2.899 lbs. of feed to 1 lb. of meat.....	2.00¢ per lb.	2.25¢ per lb.
From 2.90 to 3.099 lbs. of feed to 1 lb. of meat.....	1.25¢ per lb.	1.50¢ per lb.
From 3.10 to 3.299 lbs. of feed to 1 lb. of meat.....	.75¢ per lb.	1.00¢ per lb.
From 3.30 to 3.499 lbs. of feed to 1 lb. of meat.....	.25¢ per lb.	.50¢ per lb.
Over 3.50 lbs. of feed per lb. of meat.....	Nothing	Nothing

(1) When the Association receives 24¢ per lb. or less for the live marketable broilers delivered to a poultry processing plant or 23¢ or less at brooder house, the payment rates will be one cent per lb. less than the schedule above.

(2) Should the Association receive 20¢ or less per lb. for the broilers delivered to a processing plant there will be no payment under this section (b).

9. In case of loss on broilers marketed under this agreement — that is the gross proceeds do not equal the cost of baby chicks, feed, medicine, and sanitation supplies furnished by Association — Producer will not receive any payment except as may be provided for in paragraph 8 (b) above. Notwithstanding, Producer shall be relieved from all liability for loss — except if Producer should sell or dispose of any or all of the broilers, produced under this Agreement, without the consent or approval of Association then Producer shall remain fully liable for the full cost of all baby chicks, feed, and supplies sold under this Agreement.

10. In case of loss of (or on) broilers marketed under this agreement, Producer hereby grants Association the right to retain any or all of his patronage refund on feed and supplies used under this agreement up to the amount of that loss.

11. The type of feed bags used will be at the discretion of the Association and after use will be the property of the Producer.

12. All Broiler Contract Feeding Agreements and Conditional Sales Contracts previously entered into between Association and Producer are cancelled and terminated by this agreement provided however that if Producer is presently in the process of raising chickens under one or more of such contracts, those contracts shall remain in force as to the chickens being raised under them until the same are marketed, at which time they shall terminate.

Given under the hand and seal of the Parties hereto, the day and year above written.

Producer

The _____

PRODUCER'S COPY

By: _____

APPENDIX D

FEDERAL-STATE MARKET NEWS SERVICE
POULTRY SCIENCE BUILDING
TEL. 3-1128

LAFAYETTE, INDIANA

PURDUE UNIVERSITY
AGRICULTURAL EXTENSION SERVICE

U.S. DEPARTMENT OF AGRICULTURE
RURAL MARKETING SERVICE

SEMI-WEEKLY POULTRY AND EGG MARKET REPORT

L. 1 THURSDAY, DECEMBER 1, 1955 No. 69

PRICES REPORTED HEREIN REFLECT CURRENT PURCHASES OR SALES. F.O.B. PRICES ARE THOSE PAID AT FARMS, PLANTS AND TERMINAL MARKETS, OR AS INDICATED. WHOLESALE SELLING PRICES APPLY TO SALES IN QUANTITY BETWEEN DEALERS AND JOBBERS, CHAIN COMPANIES AND OTHER VOLUME PURCHASERS

INDIANA MARKETS

COMMERCIAL FRYER MARKETS WERE STEADY TO SLIGHTLY STRONGER IN LATE WEEK TRADING. DEMAND HAS IMPROVED. SUPPLIES ARE LIGHT TO MODERATE. A TOTAL OF 569,536 HOOSIER RAISED FRYERS OF VARIOUS WEIGHTS WERE REPORTED SOLD THIS WEEK (FRIDAY, MONDAY THROUGH THURSDAY), AS COMPARED TO 322,994 BIRDS LAST WEEK AND 671,872 BIRDS FOR THE SAME PERIOD IN 1954. SINCE JANUARY 1, 1955, A TOTAL OF 24,007,981 BIRDS HAVE BEEN REPORTED SOLD. AT THIS TIME LAST YEAR, A TOTAL OF 25,895,463 BIRDS HAD BEEN REPORTED SOLD.

NORTHERN INDIANA

		NO. SOLD - FARM PRICE WEDNESDAY - NOVEMBER 30	NO. SOLD - FARM PRICE THURSDAY - DECEMBER 1
R. CAPONETTES	4.8-5 1/4 LBS.	7,100 - 27¢	5,800 - 27¢
R. CAPONETTES	5 1/2 LBS.	--	3,000 - 25¢
R. CAPONETTES (UNDERGRADES)	5 1/2 LBS.	--	1,200 - 23¢
R. CAP. FRYERS	3.4 LBS.	2,250 - 22 1/2¢	--
R. CAP. FRYERS	3 1/3 LBS.	4,150 - 21¢	--
WHITE ROCKS	3 1/4-3 1/2 LBS.	5,000 - 22¢	2,800 - 22¢
WHITE ROCKS	3 1/4-3.6 LBS.	13,800 - 21¢	9,496 - 21¢
WHITE ROCKS	4 LBS.	--	800 - 20-21¢
WHITE ROCKS	3 1/4-3 1/2 LBS.	--	3,000 - 20 1/2¢
WHITE ROCKS	3 1/4-3 3/4 LBS.	8,000 - 20¢	26,500 - 20¢
WHITE ROCKS	3-3.3 LBS.	17,500 - 20¢	--
BARRED ROCKS	3 1/2-3.4 LBS.	--	3,100 - 23¢
BARRED ROCKS	3 1/2 LBS.	900 - 22¢	--
BARRED ROCKS	3-3.4 LBS.	5,100 - 21¢	3,400 - 21¢
GREY CROSSES	3 1/3 LBS.	--	7,000 - 20¢

TOTAL REPORTED SOLD THIS WEEK - 234,340 BIRDS. AREA SALES LAST WEEK - 164,444 BIRDS. A YEAR AGO - 194,702 BIRDS. PRICES A YEAR AGO - W.R. CAP. 25-26¢, BARRED ROCKS 21-23¢, GREY CROSSES 22-22 1/2¢, AND WHITE ROCKS 17-19 1/2¢. TOTAL REPORTED SOLD FOR THIS AREA SINCE JANUARY 1, 1955 - 9,164,669 BIRDS.

CENTRAL INDIANA

WHITE ROCKS	3 LBS.	4,700 - 21¢	6,000 - 21¢
WHITE ROCKS	3-3.3 LBS.	--	5,000 - 20¢
WHITE ROCKS	2.9 LBS.	4,000 - 20¢	--

TOTAL REPORTED SOLD THIS WEEK - 46,896 BIRDS. AREA SALES LAST WEEK - 17,500 BIRDS. A YEAR AGO - 198,170 BIRDS. PRICES A YEAR AGO - WHITE ROCKS 16-19¢. TOTAL REPORTED SOLD FOR THIS AREA SINCE JANUARY 1, 1955 - 3,691,722 BIRDS.

SOUTHERN INDIANA

WHITE ROCKS	3-3 1/4 LBS.	5,000 - 21¢	12,000 - 21¢
WHITE ROCKS	3-3 1/2 LBS.	15,100 - 20¢	7,000 - 20¢

TOTAL REPORTED SOLD THIS WEEK - 248,300 BIRDS. AREA SALES LAST WEEK - 141,050 BIRDS. A YEAR AGO - 339,000 BIRDS. PRICES A YEAR AGO - W.R. CAPONETTES 25¢, AND WHITE ROCKS 17-19¢. TOTAL REPORTED SOLD FOR THIS AREA SINCE JANUARY 1, 1955 - 12,250,713 BIRDS.

TURKEY SALES: HEAVY TYPE TOMS CONTINUE TO BE IN DEMAND. WENS WERE ABOUT STEADY. THE FOLLOWING PRICES WERE REPORTED: 2,500 ANY TYPE, WEIGHING SOLD.

APPENDIX E

FEDERAL-STATE MARKET NEWS SERVICE
407--409 NEW POST OFFICE BUILDING
MONTGOMERY 4, ALABAMA

U.S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

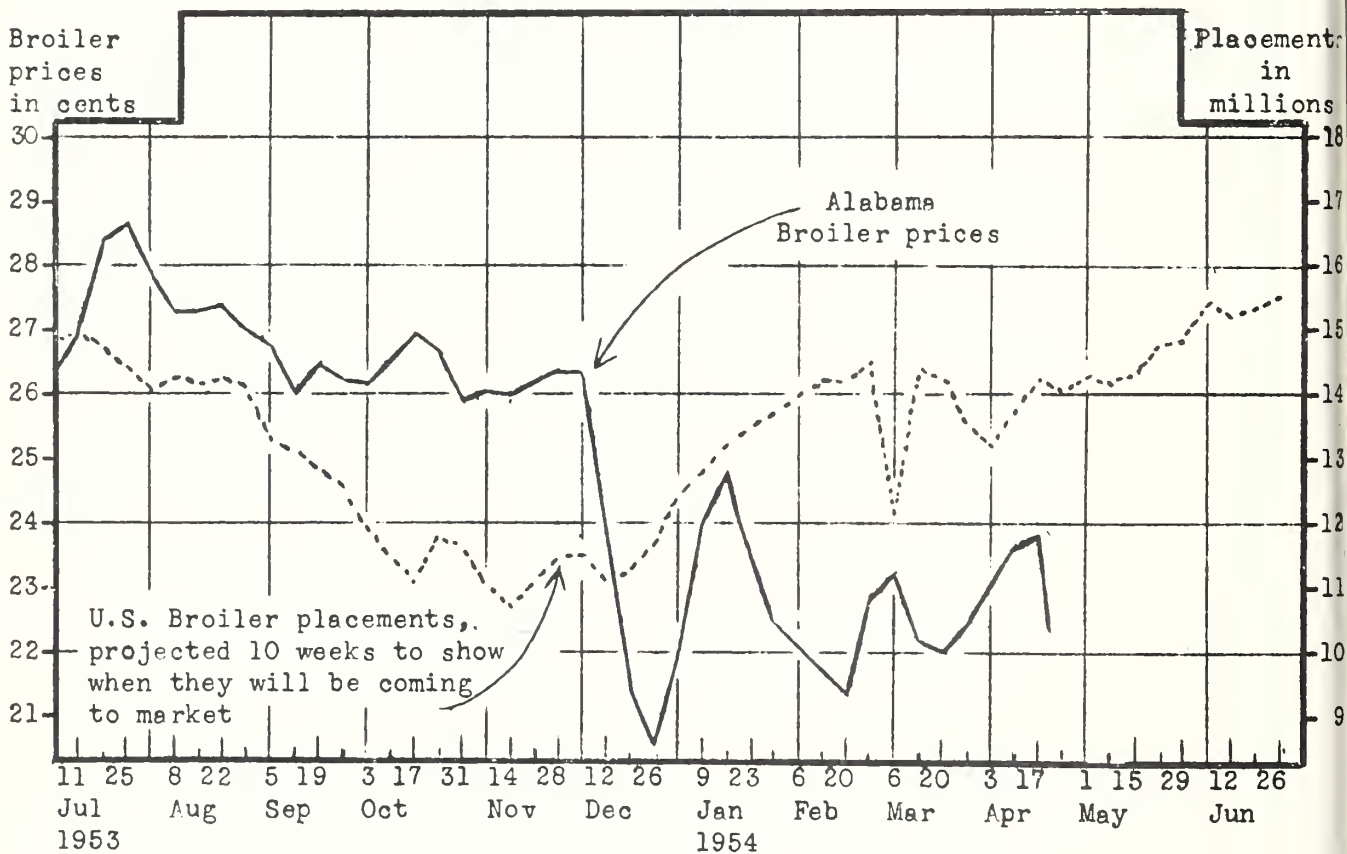
ALABAMA DEPARTMENT OF AGRICULTURE
AND-INDUSTRIES COOPERATING

WEEKLY BROILER & BROILER-FEED REPORT

VOL II NO 16

WEDNESDAY, APRIL 21, 1954

BROILER PRICE TRENDS AND BROILER CHICK PLACEMENTS



Prices dropped this week wiping out all gains of the past several weeks. As can be seen by the chart above we have run into heavy supplies and consumption has not increased sufficiently to clear them. Consequently, dressed chickens have accumulated in the North and demand is off. Processors selling locally report a good demand and supplies moving well. It seems that only those processors shipping to Northern terminals have run into difficulty.

RETURNS FOR BROILERS ABOVE FEED AND CHICK COST

Today's price per pound of broilers at the farm 24 per pound, the return

